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ARIZONA CORPORATION COMMISSION
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BEFORE THE ARIZONA CORPORATION COMMISSION

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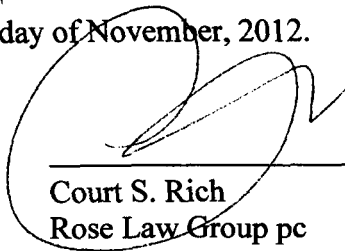
**IN THE MATTER OF THE
APPLICATION OF ARIZONA
PUBLIC SERVICE COMPANY FOR
APPROVAL OF ITS 2013
RENEWABLE ENERGY
STANDARD IMPLEMENTATION
FOR RESET OF RENEWABLE
ENERGY ADJUSTOR**

DOCKET NO. E-01345A-12-0290
E-01345A-10-0344

**COMMENTS ON STAFF'S
RECOMMENDED OPINION AND
ORDER REGARDING APS' 2013
RENEWABLE ENERGY
IMPLEMENTATION PLAN**

Please find attached hereto the comments of the Solar Energy Industries Association
("SEIA") in the above referenced docket.

Respectfully submitted this 15th day of November, 2012.



Court S. Rich
Rose Law Group pc
Attorney for SEIA

Arizona Corporation Commission
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1 **Original and 13 copies filed on**
2 **this 16th day of November, 2012 with:**

3 Docket Control
4 Arizona Corporation Commission
5 1200 W. Washington Street
6 Phoenix, Arizona 85007

7 *I hereby certify that I have this day served the foregoing documents on all parties of record in*
8 *this proceeding by sending a copy via electronic and regular U.S. mail to:*

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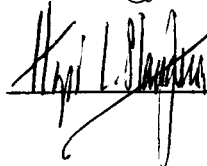
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1 **I. Introduction**

2 SEIA appreciates Commission Staff’s Staff Report including its thoughtful analysis and
3 recommendations regarding APS’ 2013 Renewable Energy Implementation Plan (the “REST
4 Plan”). Through these comments, SEIA wishes to briefly address five issues that it has identified
5 in the REST Plan, the Staff Report and Recommended Opinion and Order (the “ROO”). SEIA
6 will generally identify each of the issues in this filing and will be following up with an additional
7 filing that includes further detail on each issue and proposed amendments where applicable.
8 Also note that historically APS’ comments to past ROOs have brought up issues or introduced
9 new or amended proposals that required additional comment from Parties and stakeholders.
10 SEIA hereby reserves the right to file additional comments in response to APS’ comments to the
11 extent that APS introduce new issues, information, or proposals that require response.

12
13 **II. Discussion**

14
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16 **A. Issue 1: “Track and Record” proposal violates the Commission’s Rules and**
17 **strips ratepayers of their property rights without just compensation.**

18
19 SEIA is currently in the process of finalizing its preferred alternative(s) to the
20 recommended track and record methodology and looks forward to filing a proposed amendment
21 to the ROO on this issue as soon as possible. The track and record proposal is a clear and direct
22 violation of A.A.C R14-2-1804(A) which requires that, “each Affected Utility shall be required
23 to satisfy an Annual Renewable Energy Requirement by obtaining Renewable Energy Credits
24 from Eligible Renewable Energy Resources.” A.A.C R14-2-1804(A) (emphasis added). The
25 track and record methodology does not result in the Affected Utility “obtaining Renewable
26 Energy Credits” as a way to ensure compliance and as a result is void ab initio. Further, track
27 and record results in ratepayers with solar being robbed of their renewable energy credits without
28 any compensation. Certainly, the Commission should seek to avoid a result where private

1 property is taken from ratepayers without just compensation. SEIA anticipates that its proposed
2 alternative solution(s) will be both legal and respectful of the private property rights of
3 ratepayers.

4
5 **B. Issue 2: Large schools in the E-32L rate class must be permitted to enjoy the**
6 **economic benefits of third-party owned solar.**

7
8 Since it first approved the use of Solar Services Agreements (“SSAs”) in Docket No. E-
9 20690A-09-0346, the Commission has been a leader in leveraging the private market to provide
10 cost savings opportunities for schools through solar implementation. Unfortunately, the E 32L
11 rate class was significantly altered during the recently concluded APS Rate Case in such a way
12 that has severely undermined the value of solar for many large schools that have already
13 contracted for solar services and taken away the opportunity for future large schools to derive
14 financial benefits from third-party owned solar. SEIA anticipates engaging in further discussions
15 with APS on this issue prior to the hearing in this Docket and is hopeful that the parties can come
16 to an agreement on the best method to allow existing SSAs to continue to provide economic
17 value to schools while preserving the opportunity for financially beneficial adoption of solar in
18 the future.

19
20 **C. Issue 3: Third-party owned “community solar” projects leverage the**
21 **marketplace to lower costs and should be supported.**

22
23 SEIA looks forward to proposing a specific plan to ensure that the free market can
24 continue to play a role in lowering the costs of solar through a community solar initiative. APS
25 has proposed a similar community solar initiative as part of its REST Plan and SEIA anticipates
26 proposing the exploration of a similar program to introduce competition in this space.

27
28 **D. Issue 4: APS’ Small Generator program should be moved forward.**

1
2 In general, SEIA seeks to support the Small Generator program that APS hastily shelved
3 and believes that the program is an economically advantageous way to engage the free market to
4 bring more solar on line. SEIA anticipates filing additional specifics on this issue, including a
5 proposed Amendment to the ROO that would implement this goal.
6

7 **E. Issue 5: The Qualified Solar Installer Program (“QSI”) is an important program**
8 **that directly serves the ratepayers and should be preserved.**
9

10 SEIA is a supporter and advocate for programs designed to ensure that solar installers are
11 held to the industry standards and the QSI is a program that provides substantial value to Arizona
12 ratepayers. Protecting ratepayers and giving them information about entities that have proven
13 themselves proficient in their craft is a worthy expense that should be maintained. SEIA will file
14 more detailed comments urging the inclusion of funding for the QSI program in the final budget.
15

16 **III. Conclusion**
17

18 SEIA looks forward to further discussions with the Applicant, Staff, and stakeholders on
19 the important issues at play in this Docket and will shortly be filing further analysis and proposed
20 amendments where appropriate.
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